Dear Representative Luxenberg, Senator Moore, and members of the Housing Committee:

My name is Elias Estabrook. I am a resident of New Haven, a member of New Haven Rising, and I serve on the Affordable Housing Commission in New Haven.

I am testifying in support of a rent cap and in support of SB 4, with changes to better protect tenants.

I remember what it was like to pay about 50% of my monthly income for rent in New Haven in 2016, 2017, and 2018. I had to keep my other expenses down, such as groceries. I biked, walked, and took the bus to keep my transportation expenses down. I cannot imagine needing to support children with that little income left after paying for housing each month, but thousands of Connecticut residents are living with this tremendous housing cost burden and supporting their families.

I have seen average rents in New Haven get significantly more expensive, and most people's wages just are not keeping. From the beginning of 2021 to the beginning of 2022, median rents increased in Connecticut nearly 18 percent, while the average wage in Connecticut increased at a much lower rate. Most people I know are not getting significant raises at work.

In my day job, I work in the workforce development field with New Haven residents. For over four years, I have helped hundreds of residents secure jobs with better wages than what they previously earned; jobs that pay \$20, \$23, \$25 per hour. Even with a wage that high – we might even call it a living wage job – affording to pay the rent in some Connecticut towns like New Haven would be difficult.³ Many of these clients share with me that they intend to buy their first home in the long term, and over the years some have. Higher wages and workforce development are among the long term solutions to our state's affordable housing challenge, but I fear that rents will climb out of reach for many if we do not act now to slow the increase in rents. While our state continues to invest in workforce development, I think we also need a rent cap.

Finding something affordable when rents went up in 2020 and 2021 was challenging. Although we dream of buying a house and putting down roots here, my partner and I had to move into a room within a single family house, with two other roommates. It's affordable right now, but we still are barely able to save and I'm nervous that our rent will go up as other landlords in our neighborhood raise their rents as well. A rent cap would keep my rent affordable for several more years while my partner and I save.

I think we should look at the housing stability that rent stabilization could bring about. Much of the literature about rent regulations agrees that rent stabilization increases housing stability.⁴ In

¹ https://ctnewsjunkie.com/2022/07/28/report-wage-increases-not-keeping-up-with-living-increases/

² https://www.osc.ct.gov/public/pressrl/2022/Jul012022 Financial Status.pdf

³ https://nlihc.org/oor/state/ct

⁴ http://aagla.org/wp-content/uploads/2019/10/USC-Dornsife-Rent-Matters.pdf, pg. 4.

other words, more current renters are able to stay in their communities, and neighborhoods overall remain more stable. One paper I read summarized what a lot of research has found, that "housing stability is associated with physical, social and psychological well-being...[and] higher educational achievement by the young." How much do we value the well-being of current Connecticut residents, from young to old? How much do we want our young people to succeed so they can eventually work in high-paying jobs in our state?

I only moved once while in elementary and high school. When my parents moved my brother and I to another apartment in fight grade, I got to stay at the same school. It was hard for a few days to adapt to a new place on a new street, but I thrived after that. On the other hand, children in lower income households are more likely to move more often.⁶ This isn't right, and it is negatively affecting many children in our state.

I have been involved in our city government's process of planning for more housing and implementing various housing policies directed at housing affordability. For the last two years, I have been a volunteer commissioner on the New Haven Affordable Housing Commission. Research on New Haven's housing market reveals that we need thousands more affordable units to meet the demand. A recent study found that New Haven would need more than 8,000 additional units to meet the needs of households making less than 50% of the Area Median Income (AMI), or around \$40,000 per year. Statewide, we need over 80,000 additional units to meet the need. These thousands of households are burdened with rents that they cannot really afford.

Those units cannot get built overnight. It's true, we need more housing supply, and we know that takes hundreds of thousands of dollars and years to plan for and construct. In the meantime, we need to rent stabilization and good cause protections to keep people in our communities, so that they can access that new housing when it's finally built.

The data from other places with rent stabilization laws point to the fact that rent stabilization would not weaken new housing development. For example, in New Jersey, where over 100 cities have rent stabilization, a study that compared cities with and without rent stabilization found that there was no significant relationship between rent stabilization and new housing construction.⁹

I strongly support a rent cap, but HB 6588 would be stronger with the following changes:

- The cap should be lower—I suggest 2.5 or 3%. This tracks pre-pandemic average rent increases and would be affordable and predictable to tenants.
- It should cover apartments in between tenants so landlords can't push out tenants to increase the rent.
- It should expand good cause eviction protections to cover all tenants so they have

⁵ http://aagla.org/wp-content/uploads/2019/10/USC-Dornsife-Rent-Matters.pdf, pg. 5.

⁶ http://aagla.org/wp-content/uploads/2019/10/USC-Dornsife-Rent-Matters.pdf, pg. 18.

⁷ South Central Regional Council of Governments (SCRCOG) and RKG Associates. "New Haven Affordable Housing Plan: Existing Conditions."

⁸ https://nlihc.org/gap/state/ct

⁹ https://www.sciencedirect.com/science/article/abs/pii/S0264275115001122?via%3Dihub

greater stability in their homes.

Thank you for your time.

Elias Estabrook New Haven